

June 1, 2022

ITO EN, LTD. Securities numbers : 2593 (Common Stock)

: 25935 (Class-A Preferred Stock)

(URL <https://www.itoen.co.jp>)

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Representative: Daisuke Honjo (President)

Consolidated Financial Results

Under Japanese Standards for the fiscal year ended April 30, 2022 (Unaudited)

For Immediate Release

Scheduled date of general shareholder's meeting: July 28, 2022

Scheduled date of commencement of dividend payment: July 29, 2022

Scheduled filing date of securities report: July 29, 2022

Supplementary documents for financial results: Yes

Quarterly results presentation (for institutional investors and analysts): Yes

(Figures are rounded down to million yen.)

1. Consolidated Performance for the Fiscal Year Ended April 30, 2022 (May 1, 2021 - April 30, 2022)

(1) Consolidated Results of Operations – cumulative

(% indicates year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen		Million yen		Million yen		Million yen	
4/30/2022	400,769	–	18,794	12.7%	19,971	17.3%	12,928	84.4%
4/30/2021	446,281	-7.7%	16,675	-16.4%	17,029	-12.4%	7,011	-10.0%

Note 1: Comprehensive income 4/30/2022: 16,211 million yen (86.9%) 4/30/2021: 8,672 million yen (47.1%)

	Earnings per share	Earnings per share (diluted)	Return on Equity	Ordinary income / Total assets	Operating income / Net sales
	Yen	Yen			
4/30/2022	103.92	103.69	8.2%	6.0%	4.7%
4/30/2021	55.10	54.97	4.7%	5.5%	3.7%

Reference: Equity in earnings (losses) of affiliated companies 4/30/2022: 162 million yen 4/30/2021: 114 million yen

Note 2: The above per share information pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to "Reference" below.

Note 3: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended April 30, 2022, and each figure for the fiscal year ended April 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Because this will have a significant impact on net sales, the year on year percentage change in net sales is not shown.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 3.4%.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen		Yen
4/30/2022	328,359	163,012	49.2%	1,334.88
4/30/2021	333,065	153,057	45.6%	1,250.37

Reference: Equity 4/30/2022: 161,640 million yen 4/30/2021: 151,773 million yen.

Notes 1: The above per share information pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to "Reference" below.

2: The Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the fiscal year ended April 30, 2022, and each figure as of April 30, 2022, is the figure after applying the said accounting standard, etc.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million Yen	Million yen
4/30/2022	22,226	(7,397)	(29,930)	94,471
4/30/2021	25,351	(7,514)	25,813	107,763

2. Dividends

	Dividend per share					Total dividend paid	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen		
4/30/2021	–	20.00	–	20.00	40.00	3,527	72.6%	3.2%
4/30/2022	–	20.00	–	20.00	40.00	3,528	38.5%	3.1%
4/30/2023 (Forecast)	–	20.00	–	20.00	40.00		41.5%	

Note: The above dividend per share pertains to Common Stock. For dividend per share for Class-A Preferred Stock, refer to "Reference" below.

3. Forecasted Consolidated Results for the Fiscal Year Ending April 30, 2023 (May 1, 2022 - April 30, 2023)

(% represents changes from the previous fiscal year for the full year, and from the same period of the previous fiscal year for the first half of the fiscal year (cumulative))

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen		Million yen		Million yen		Million yen		Yen
10/31/2022	220,100	5.5%	11,600	6.8%	11,500	1.7%	7,100	-8.4%	57.21
4/30/2023	418,000	4.3%	20,000	6.4%	19,500	-2.4%	12,000	-7.2%	96.28

Note: The above per share information in forecasted consolidated results pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to "Reference" below.

Notes

(1) Changes in important subsidiaries during the period

(Changes in specific subsidiaries accompanied by a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

i. Changes in accounting policies associated with in accounting standards: Yes

ii. Changes in accounting policies other than i. above: None

iii. Changes in accounting estimates: None

iv. Restatements: None

Note: For further details, please refer to the section of“(5) Notes to Consolidated Financial Statements, (Changes in Accounting Policies)” of “3. Consolidated Financial Statements and Main Notes” on page 14 of the attached material.

(3) Numbers of shares outstanding (common stock)

i. Numbers of shares outstanding (including treasury stock) 4/30/2022 89,212,380 shares 4/30/2021 89,212,380 shares

ii. Numbers of treasury stock 4/30/2022 1,004,852 shares 4/30/2021 1,012,267 shares

iii. Average number of shares during the period 4/30/2022 88,205,979 shares 4/30/2021 88,195,444 shares

Note: The above “Number of outstanding shares” pertains to Common Stock. For “Number of outstanding shares” for Class-A Preferred Stock, refer to “Reference” below.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Performance for Fiscal Year Ended April 30, 2022 (May 1, 2021 - April 30, 2022)

(1) Non-Consolidated Results of Operation

(% indicates year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen		Million yen		Million yen		Million yen	
4/30/2022	300,319	–	15,685	-0.5%	17,409	-0.9%	12,360	73.7%
4/30/2021	352,732	-6.6%	15,759	-5.2%	17,565	-3.2%	7,115	-45.9%

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
4/30/2022	99.24	99.02
4/30/2021	55.96	55.83

Notes 1: The above per share information pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to “Reference” below.

2: The Company has applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations from the beginning of the fiscal year ended April 30, 2022, and each figure for the fiscal year ended April 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Because this will have a significant impact on net sales, the year on year percentage change in net sales is not shown.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 1.6%.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen		Yen
4/30/2022	278,776	156,444	56.1%	1,290.96
4/30/2021	296,470	150,501	50.7%	1,238.65

Reference: Equity 4/30/2022: 156,327 million yen 4/30/2021: 150,353 million yen

Notes 1: The above per share information pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to “Reference” below.

2: The Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the fiscal year ended April 30, 2022, and each figure as of April 30, 2022, is the figure after applying the said accounting standard, etc.

2. Forecasted Non-Consolidated Results for the Fiscal Year Ending April 30, 2023 (May 1, 2022 - April 30, 2023)

(% represents changes from the previous fiscal year for the full year, and from the same period of the previous fiscal year for the first half of the fiscal year (cumulative))

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen		Million yen		Million yen		Million yen		Yen
10/31/2022	167,600	5.1%	10,470	14.4%	11,500	13.3%	8,000	13.7%	64.64
4/30/2023	312,500	4.1%	16,500	5.2%	17,800	2.2%	12,200	-1.3%	97.93

Note: The above per share information in forecasted non-consolidated results pertains to Common Stock. For per share information for Class-A Preferred Stock, refer to “Reference” below.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Request for appropriate use of the business outlook and other special remarks

Forward-looking statements in this document, including forecasts, are based on information available to management at the time of the announcement, which management assumes to be reasonable. Therefore, our company does not guarantee the achievement of forecasts and other forward-looking statements. Because of variable factors, actual results may differ from the forecast figures. For the basis of presumption of the forecasted operation results and the notes on its use, refer to “1. Overview of the Management Operations’ Results, etc., (4) Future Outlook” on page 4 in the Attachments.

(Reference)

(1) Per Share information of Class-A Preferred Stock in Consolidated Results of Operation

	Earnings per share	Earnings per share (diluted)	Net assets per share
	Yen	Yen	Yen
4/30/2022	113.89	113.65	1,339.88
4/30/2021	65.10	64.97	1,255.37

(2) Dividends per Share – Class-A Preferred Stock

	Dividend per share					Total dividend paid	Dividend payout ratio (consolidated)	Dividend on net assets (consolidated)
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen		
4/30/2021	–	25.00	–	25.00	50.00	1,652	76.8%	4.0%
4/30/2022	–	25.00	–	25.00	50.00	1,645	43.9%	3.9%
4/30/2023 (Forecast)	–	25.00	–	25.00	50.00		47.1%	

(3) Per Share information of Class-A Preferred Stock in Forecasted Consolidated Results

	Earnings per share (Consolidated)	Earnings per share (Non-Consolidated)
	Yen	Yen
10/31/2022	62.17	69.60
4/30/2023	106.20	107.85

(4) Numbers of Outstanding Shares – Class-A Preferred Stock

- i. Numbers of outstanding shares (including treasury stock) 4/30/2022 34,246,962 shares 4/30/2021 34,246,962 shares
- ii. Numbers of treasury stock 4/30/2022 1,487,570 shares 4/30/2021 1,196,320 shares
- iii. Average number of shares during the period 4/30/2022 33,028,207 shares 4/30/2021 33,053,124 shares

(5) Per Share information of Class-A Preferred Stock in Non-Consolidated Results of Operation

	Net income per share	Net income per share (diluted)	Net assets per share
	Yen	Yen	Yen
4/30/2022	109.21	108.98	1,295.96
4/30/2021	65.96	65.83	1,243.65

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1. Overview of the Management Operations' Results, etc.

(1) Overview of the Management Operations' Results in the Current Financial Year

During the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022), the Japanese economy remained in a tough situation due to the impact of the novel coronavirus disease (COVID-19) and the Russia-Ukraine conflict. Although there are signs of recovery in personal consumption, the uncertain situation is expected to continue.

Under these business conditions, in keeping with the management principle of "Always Putting the Customer First," the ITO EN Group vigorously engaged in business activities while constantly seeking to identify and address areas of customer dissatisfaction in the beverage market.

As a result, performance for the fiscal year ended April 30, 2022 was as follows.

Net sales	400,769 million yen
Operating income	18,794 million yen, up 12.7% year on year
Ordinary income	19,971 million yen, up 17.3% year on year
Profit attributable to owners of parent	12,928 million yen, up 84.4% year on year

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ended April 30, 2022, and each figure for the fiscal year ended April 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. Because this will have a significant impact on net sales, the year on year percentage change in net sales is not shown.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 3.4%. For further details, please refer to the section of "(5) Notes to Consolidated Financial Statements, (Changes in Accounting Policies)" of "3. Consolidated Financial Statements and Main Notes" on page 14.

Performance by each of the business segments were as follows.

<Tea Leaves and Beverages Business>

In March 2022, the Company opened the "ITO EN" Takashimaya Shinjuku store, a specialty store with a focus on Japanese tea, on the B1 floor of Shinjuku Takashimaya Times Square. Available at the store are roughly 30 different products with a focus on Japanese tea carefully selected by the Company, including tea leaf products featuring tea leaves from Shizuoka Prefecture and Kagoshima Prefecture, which are regions famous for producing tea, quality matcha products, and teabag products.

In the same month, the Company opened "Saryo ITOEN," a cafe-style takeout store, on the B2 floor of Hanshin Department Store Umeda Main Store. This store offers "Horebore," green tea with refreshing aroma and rich sweetness made with first-grade tea produced in Kagoshima Prefecture, "Kaiseki Hojicha," light, sweet, and fragrant roasted green tea, and other kinds of Japanese tea, black tea produced in Japan, and rooibos tea, as well as exclusive drinks and sweets created in the pursuit of matcha's appeal.

By opening these stores, the Company aims to convey the appeal of tea to many people and further increase the value of tea and the ITO EN brand.

In March 2022, the Company launched "Oi Ocha Japanese Green Tea" of 2022 quality from "Oi Ocha," the world's best-selling green tea beverage brand. This product, born out of "the secret to Oi Ocha's tastiness," features pristine taste fit for a quick drink and enhanced aroma with refreshing aftertaste for a relaxing moment. The Company is currently working to introduce in full scale a technology for assessing the quality of raw leaves and unrefined crude tea using AI-based image recognition, and incorporating other new endeavors. The Company will continue earnestly refining its tea-making to deliver "Oi Ocha" with taste, aroma, and color that our customers desire, as well as the "power of tea," or endless possibilities of tea, to people of the world.

From the "TULLY'S COFFEE" brand, the Company launched "TULLY'S COFFEE MATCHA LATTE" in March 2022. This Japanese tea latte beverage has smooth and comforting taste with strong matcha flavor, created with two types of matcha blended for its characteristic sweetness and slight bitterness that go best with milk.

Also in the same month, from "Ichinichibun no Yasai" (a day's worth of vegetables) brand, the Company launched "Ichinichibun no Yasai Kicchiri Shokumotsu-senni" (a day's worth of vegetables with a plenty of dietary fiber), "Ichinichibun no Yasai Midori no Yasai Mix" (a day's worth of vegetables featuring a mix of green vegetables), and "Ichinichibun no Yasai Ichinichibun no Vitamin Juni-shu" (a day's worth of vegetables with a day's worth of 12 types of vitamins). These vegetable juice products contain a good balance of key nutrients equivalent to 350 g of vegetables, which is a daily amount recommended by the Ministry of Health, Labour and Welfare.

From the "Kenko Mineral Mugicha" (healthy mineral barley tea) brand, the Company launched "Kenko Mineral Mugicha Oat Blend," a barley tea beverage marked by its soft aroma and sweetness that people can drink to take in minerals, in April.

Between February and April, the Company launched “*Nippon Yell Okinawaken-san Kanjuku Shiikuwasha*,” “*Nippon Yell Naganoken-san Ringo*,” “*Nippon Yell Miyazakiken-san Hyuuganatsu Soda*,” and “*Nippon Yell Naganoken-san Ringo San Kyodai*,” which are beverage products developed jointly with the Nippon Yell Project of the National Federation of Agricultural Cooperative Associations (JA ZEN-NOH) to support Japanese agriculture.

As a result of these activities, the Tea Leaves and Beverages Business recorded net sales of 364,103 million yen and operating income of 17,953 million yen, down 1.2%.

The Accounting Standard for Revenue Recognition, etc. have been applied from the beginning of the fiscal year ended April 30, 2022, and the figure for net sales is the figure after applying the said accounting standard, etc.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 2.7%.

<Restaurant Business>

For Tully’s Coffee Japan Co., Ltd., we conducted marketing campaigns from February, in which the jolly and exciting Tom and Jerry universe was fused with “sakura” cherry blossoms. We launched “*Tom and Jerry Sakura-sprinkled Strawberry Cafe Latte*,” “*Tom and Jerry & TEA Sakura-scented Peach Tea au Lait*,” and other products in collaboration with the Tom and Jerry franchise, which attracted attention.

In addition, the need remains high for “home cafes” where customers can purchase coffee beans they like to enjoy while relaxing at home. Sales of coffee beans and other items for enlivening the times spent drinking coffee at home performed favorably. The total number of coffee shops at present is 760.

As a result of these activities, the Restaurant Business recorded net sales of 30,046 million yen and operating income of 860 million yen, compared with operating loss of 1,374 million yen in the same period last year.

The Accounting Standard for Revenue Recognition, etc. have been applied from the beginning of the fiscal year ended April 30, 2022, and the figure for net sales is the figure after applying the said accounting standard, etc.

If net sales are calculated using the same standards as those for the fiscal year ended April 30, 2021, net sales increased by 14.2%.

<Others>

The Others recorded net sales of 6,619 million yen, up 1.9% year on year, and operating income of 605 million yen, down 2.0%.

There is no impact of applying the Accounting Standard for Revenue Recognition, etc.

(2) Overview of the Financial Position in the Current Financial Year

The following is a consolidated financial position for the fiscal year ended April 30, 2022.

(Assets)

Total assets at the end of the fiscal year ended April 30, 2022 stood at 328,359 million yen, decreased by 4,705 million yen from the previous fiscal year. These changes in total assets mainly reflected a decrease of 12,859 million yen in “Cash and deposits,” an increase of 4,876 million yen in “Accounts receivable - trade,” an increase of 6,486 million yen in “Merchandise and finished goods,” an increase of 2,398 million yen in “Raw materials and supplies,” a decrease of 1,469 million yen in “Accounts receivable - other,” a decrease of 3,938 million yen in “Leased assets,” a decrease of 1,031 million yen in “Goodwill,” a decrease of 1,158 million yen in “Investment securities,” and an increase of 1,043 million yen in “Deferred tax assets.”

(Liabilities)

Liabilities at the end of the fiscal year ended April 30, 2022 stood at 165,346 million yen, decreased by 14,661 million yen from the previous fiscal year. These changes in liabilities mainly reflected a decrease of 22,107 million yen in “Short-term loans payable,” a decrease of 1,419 million yen in “Lease obligations,” an increase of 2,089 million yen in “Accrued expenses,” an increase of 1,494 million yen in “Income taxes payable” and an increase of 3,059 million yen in “Long-term loans payable.”

(Net assets)

Net assets at the end of the fiscal year ended April 30, 2022 stood at 163,012 million yen, increased by 9,955 million yen from the previous fiscal year. This mainly reflected an increase of 12,928 million yen in “Retained earnings” due to “Profit attributable to owners of parent,” a decrease of 5,180 million yen in “Retained earnings” due to “Dividends of surplus.”

As a result, the shareholders’ equity ratio became 49.2% compared with 45.6% at the end of the previous fiscal year.

(3) Overview of the Cash flows in the Current Financial Year

Cash and cash equivalents at the end of the fiscal year ended April 30, 2022 amounted to 94,471 million yen, decreased by 13,291 million yen from the end of the previous fiscal year.

Cash flows during the fiscal year ended April 30, 2021 and their causes are as follows.

(Cash flows from operating activities)

Net cash inflows from operating activities were 22,226 million yen (compared with 25,351 million yen inflow in the previous fiscal year). The major factors affecting this were income before income taxes of 20,343 million yen, depreciation of 11,281 million yen, amortization of goodwill of 1,060 million yen and income taxes paid of 5,681 million yen.

(Cash flows from investing activities)

Net cash outflows from investing activities were 7,397 million yen (compared with 7,514 million yen outflow in the previous fiscal year). The major factor affecting this was purchase of property, plant and equipment and intangible assets of 7,851 million yen.

(Cash flows from financing activities)

Net cash outflows from financing activities were 29,930 million yen (compared with 25,813 million yen inflow in the previous fiscal year). The major factors affecting this were proceeds from long-term loans payable of 2,275 million yen, repayments of long-term loans payable of 23,483 million yen, repayments of finance lease obligations of 2,732 million yen and cash dividends paid of 5,174 million yen.

(4) Future Outlook

As for the future outlook, although the progress in vaccination against COVID-19 and development of a cure have led to higher hopes for the end of the pandemic, there has been a series of recent events with a serious impact on the state of affairs worldwide, including outbreaks of COVID-19 variants and the Russia-Ukraine conflict. It is thus difficult to reasonably calculate the amount of impact on the business performance of the Group. Therefore, if it becomes necessary to revise the forecast of business results based on the impact of COVID-19 and the Russia-Ukraine conflict on business performance, we will disclose it promptly.

At this current point in time, the forecast for the fiscal year ending April 30, 2023 is as follows.

Net sales	418,000 million yen,	up 4.3% year on year
Operating income	20,000 million yen,	up 6.4% year on year
Ordinary income	19,500 million yen,	down 2.4% year on year
Profit attributable to owners of parent	12,000 million yen,	down 7.2% year on year

2. Basic Policies Concerning Selection of Accounting Standards

Taking into consideration reliable year-on-year and company-to-company comparisons in the consolidated financial statements, the ITO EN Group's policy for the time being is to prepare its consolidated financial statements according to Japanese accounting standards.

As for the application of international accounting standards, ITO EN plans to appropriately respond after considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

As of April 30, 2021 and April 30, 2022

(Millions of yen)

	As of April 30, 2021	As of April 30, 2022
Assets		
Current assets		
Cash and deposits	109,430	96,571
Notes receivable - trade	239	241
Accounts receivable - trade	52,897	57,774
Merchandise and finished goods	35,177	41,664
Raw materials and supplies	10,255	12,653
Accounts receivable - other	12,208	10,739
Other	3,774	3,816
Allowance for doubtful accounts	(103)	(182)
Total current assets	223,880	223,278
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,399	50,947
Accumulated depreciation	(28,511)	(29,743)
Buildings and structures, net	20,887	21,204
Machinery, equipment and vehicles	26,045	26,669
Accumulated depreciation	(19,954)	(21,154)
Machinery, equipment and vehicles, net	6,091	5,514
Tools, furniture and fixtures	33,635	35,793
Accumulated depreciation	(17,194)	(19,947)
Tools, furniture and fixtures, net	16,440	15,846
Land	22,060	22,837
Leased assets	36,834	25,687
Accumulated depreciation	(24,628)	(17,419)
Leased assets, net	12,206	8,268
Construction in progress	404	815
Other	7	3
Total property, plant and equipment	78,099	74,490
Intangible assets		
Goodwill	4,625	3,594
Software	1,001	1,109
Other	2,708	3,545
Total intangible assets	8,335	8,249
Investments and other assets		
Investment securities	4,477	3,319
Deferred tax assets	5,657	6,701
Other	12,750	12,430
Allowance for doubtful accounts	(135)	(109)
Total investments and other assets	22,749	22,340
Total non-current assets	109,184	105,081
Total assets	333,065	328,359

Consolidated Balance Sheets – Continued

(Millions of yen)

	As of April 30, 2021	As of April 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	29,999	30,365
Short-term loans payable	25,004	2,897
Lease obligations	2,966	2,371
Accrued expenses	24,858	26,948
Income taxes payable	3,453	4,948
Provision for bonuses	3,543	3,613
Other	3,723	5,652
Total current liabilities	93,548	76,796
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	55,858	58,917
Lease obligations	5,023	4,199
Net defined benefit liability	11,000	10,877
Deferred tax liabilities for land revaluation	719	719
Other	3,858	3,836
Total non-current liabilities	86,459	88,549
Total liabilities	180,007	165,346
Net assets		
Shareholders' equity		
Capital stock	19,912	19,912
Capital surplus	18,660	18,662
Retained earnings	123,679	131,105
Treasury shares	(6,466)	(7,016)
Total shareholders' equity	155,785	162,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,956	1,202
Revaluation reserve for land	(6,053)	(6,053)
Foreign currency translation adjustment	217	3,738
Remeasurements of defined benefit plans	(133)	88
Total accumulated other comprehensive income	(4,012)	(1,023)
Share acquisition rights	148	117
Non-controlling interests	1,136	1,254
Total net assets	153,057	163,012
Total liabilities and net assets	333,065	328,359

(2) Consolidated Statements of Income and Comprehensive Income

For the fiscal year ended April 30, 2021 and 2022 (May 1, 2020 - April 30, 2021 and May 1, 2021 - April 30, 2022)

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Net sales	446,281	400,769
Cost of sales	*1 231,278	*1 241,188
Gross profit	215,003	159,581
Selling, general and administrative expenses	*2, *3 198,327	*2, *3 140,787
Operating income	16,675	18,794
Non-operating income		
Interest income	88	86
Dividend income	65	73
Rent income	90	92
Compensation income for damaged products	28	29
Share of profit of entities accounted for using equity method	114	162
Gain on prepaid card	149	271
Foreign exchange gains	243	948
Other	354	289
Total non-operating income	1,134	1,952
Non-operating expenses		
Interest expenses	436	468
Loss on cancellation of leases	154	122
Other	190	185
Total non-operating expenses	780	775
Ordinary income	17,029	19,971
Extraordinary income		
Gain on sales of non-current assets	*4 7	*4 32
Gain on donation of non-current assets	6	53
Gain on sales of investment securities	–	492
Subsidy income	*5 1,230	*5 2,069
Compensation income	87	–
Other	2	0
Total extraordinary income	1,334	2,648
Extraordinary losses		
Loss on sales of non-current assets	*6 5	*6 66
Loss on abandonment of non-current assets	*7 94	*7 206
Loss on valuation of investment securities	4	13
Impairment loss	*8 4,056	*8 1,889
Loss on disaster	9	–
Loss on COVID-19 impact	*9 544	*9 72
Other	254	28
Total extraordinary losses	4,969	2,276
Income before income taxes	13,395	20,343
Income taxes - current	6,209	7,346
Income taxes - deferred	170	(91)
Total income taxes	6,379	7,254
Net income	7,015	13,089
Profit attributable to non-controlling interests	3	160
Profit attributable to owners of parent	7,011	12,928

Consolidated Comprehensive Income

(Millions of yen)

	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Net income	7,015	13,089
Other comprehensive income		
Valuation difference on available-for-sale securities	642	(669)
Foreign currency translation adjustment	722	3,608
Remeasurements of defined benefit plans, net of tax	190	226
Share of other comprehensive income of entities accounted for using equity method	100	(43)
Total other comprehensive income	1,656	3,122
Comprehensive income	8,672	16,211
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,591	15,917
Comprehensive income attributable to non-controlling interests	80	294

(3) Consolidated Statement of Changes in Shareholders' Equity

For the fiscal year ended April 30, 2021 (May 1, 2020 - April 30, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,912	18,646	121,848	(6,499)	153,907
Cumulative effects of changes in accounting policies					–
Restated balances	19,912	18,646	121,848	(6,499)	153,907
Changes of items during period					
Dividends of surplus			(5,180)		(5,180)
Profit attributable to owners of parent			7,011		7,011
Purchase of treasury shares				(9)	(9)
Disposal of treasury shares		13		43	56
Net changes of items other than shareholders' equity					
Total changes of items during period	–	13	1,831	33	1,878
Balance at end of current period	19,912	18,660	123,679	(6,466)	155,785

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,232	(6,053)	(449)	(322)	(5,592)	167	1,213	149,695
Cumulative effects of changes in accounting policies								–
Restated balance	1,232	(6,053)	(449)	(322)	(5,592)	167	1,213	149,695
Changes of items during period								
Dividends of surplus								(5,180)
Profit attributable to owners of parent								7,011
Purchase of treasury shares								(9)
Disposal of treasury shares								56
Net changes of items other than shareholders' equity	723	–	667	189	1,579	(18)	(76)	1,484
Total changes of items during period	723	–	667	189	1,579	(18)	(76)	3,362
Balance at end of current period	1,956	(6,053)	217	(133)	(4,012)	148	1,136	153,057

For the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,912	18,660	123,679	(6,466)	155,785
Cumulative effects of changes in accounting policies			(321)		(321)
Restated balance	19,912	18,660	123,358	(6,466)	155,464
Changes of items during period					
Dividends of surplus			(5,180)		(5,180)
Profit attributable to owners of parent			12,928		12,928
Purchase of treasury shares				(579)	(579)
Disposal of treasury shares		1		29	31
Net changes of items other than shareholders' equity					
Total changes of items during period	-	1	7,747	(549)	7,199
Balance at end of current period	19,912	18,662	131,105	(7,016)	162,664

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,956	(6,053)	217	(133)	(4,012)	148	1,136	153,057
Cumulative effects of changes in accounting policies								(321)
Restated balance	1,956	(6,053)	217	(133)	(4,012)	148	1,136	152,736
Changes of items during period								
Dividends of surplus								(5,180)
Profit attributable to owners of parent								12,928
Purchase of treasury shares								(579)
Disposal of treasury shares								31
Net changes of items other than shareholders' equity	(753)	-	3,521	222	2,989	(30)	118	3,077
Total changes of items during period	(753)	-	3,521	222	2,989	(30)	118	10,276
Balance at end of current period	1,202	(6,053)	3,738	88	(1,023)	117	1,254	163,012

(4) Consolidated Statements of Cash Flows

For the fiscal year ended April 30, 2021 and 2022 (May 1, 2020- April 30, 2021 and May 1, 2021 - April 30, 2022)

(Millions of yen)

	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Cash flows from operating activities		
Income before income taxes	13,395	20,343
Depreciation	12,427	11,281
Impairment loss	4,056	1,889
Amortization of goodwill	1,266	1,060
Increase (decrease) in allowance for doubtful accounts	(46)	29
Increase (decrease) in provision for bonuses	(239)	70
Increase (decrease) in net defined benefit liability	663	205
Subsidy income	(1,230)	(2,069)
Loss on disaster	9	-
Interest and dividend income	(154)	(159)
Interest expenses	436	468
Foreign exchange losses (gains)	(181)	(638)
Decrease (increase) in notes and accounts receivable - trade	(3,828)	(3,888)
Decrease (increase) in inventories	506	(6,806)
Decrease (increase) in other current assets	(1,708)	1,097
Decrease (increase) in other non-current assets	63	441
Increase (decrease) in notes and accounts payable - trade	3,472	(141)
Increase (decrease) in accrued consumption taxes	(62)	306
Increase (decrease) in other current liabilities	1,450	3,147
Other, net	42	(460)
Subtotal	30,338	26,176
Interest and dividend income received	167	129
Interest expenses paid	(436)	(466)
Income taxes paid	(5,949)	(5,681)
Subsidies received	1,230	2,069
Net cash provided by (used in) operating activities	25,351	22,226
Cash flows from investing activities		
Net decrease (increase) in time deposits	(423)	(175)
Purchase of property, plant and equipment and intangible assets	(7,080)	(7,851)
Purchase of investment securities	(56)	(1)
Proceeds from sales of investment securities	1	671
Purchase of long-term prepaid expenses	(6)	(3)
Purchase of shares of subsidiaries and associates	(129)	(18)
Decrease (increase) in other investments	180	(19)
Net cash provided by (used in) investing activities	(7,514)	(7,397)

Consolidated Statements of Cash Flows – Continued

(Millions of yen)

	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	300	(35)
Proceeds from long-term loans payable	40,169	2,275
Repayments of long-term loans payable	(5,608)	(23,483)
Purchase of treasury shares	(9)	(579)
Proceeds from disposal of treasury shares	0	0
Repayments of finance lease obligations	(3,691)	(2,732)
Cash dividends paid	(5,175)	(5,174)
Dividends paid to non-controlling interests	(158)	(189)
Other, net	(12)	(12)
Net cash provided by (used in) financing activities	25,813	(29,930)
Effect of exchange rate change on cash and cash equivalents	402	1,809
Net increase (decrease) in cash and cash equivalents	44,052	(13,291)
Cash and cash equivalents at beginning of period	63,710	107,763
Cash and cash equivalents at end of period	107,763	94,471

(5) Notes to Consolidated Financial Statements
(Note Regarding the Company's Position as a Going Concern)

Not applicable

(Basis of Presentation of Consolidated Financial Statements)

1. Consolidation scope

(1) Consolidated subsidiaries	31 companies
(2) Non-consolidated subsidiaries	3 companies

2. Application of equity method

(1) Equity - method applied to non-consolidated subsidiaries	3 companies
(2) Equity - method applied to affiliated	3 companies
(3) Equity - method unapplied to affiliated	5 companies

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, Etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the fiscal year ended April 30, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The main changes resulting from the above are as follows.

1. For a portion of the selling commission and other consideration payable to customers that was previously recognized as selling, general and administrative expenses, the accounting method has been changed to deduct the consideration from the transaction price.
2. For initial franchise fees and renewal fees under franchise agreements that had been recognized as revenue when received, the accounting method has been changed to recognize revenue based on reasonable standards over the period of each agreement.
3. For subcontract processing with charged materials, raw materials, etc. supplied for value were previously derecognized. However, because the Company has an obligation to repurchase the supplied raw materials, etc. in the transactions, the supplied raw materials, etc. is not derecognized. The Company does not recognize any revenue related to the transfer of the supplied materials in these transactions.

The new accounting standard for revenue recognition is applied in accordance with the general treatment prescribed in the proviso of paragraph (84) of the Accounting Standard for Revenue Recognition, and the cumulative effect of retrospective application of the new accounting policy prior to the fiscal year ended March 31, 2022 is added to or deducted from retained earnings at the beginning of the fiscal year ended March 31, 2022, and the new accounting policy is applied from the balance at the beginning of the fiscal year ended March 31, 2022. As a result, net sales decreased by 60,546 million yen, cost of sales increased by 77 million yen, selling, general and administrative expenses decreased by 60,745 million yen, and operating profit, ordinary profit and income before taxes and minority interests increased by 121 million yen, respectively, for the fiscal year ended March 31, 2022.

As of the end of the fiscal year ended April 30, 2022, merchandise and finished goods increased by 693 million yen, raw materials and supplies increased by 986 million yen, deferred tax assets increased by 127 million yen, other current liabilities increased by 2,049 million yen, and retained earnings decreased by 241 million yen.

In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

(Application of Accounting Standard for Fair Value Measurement, Etc.)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations have been applied from the beginning of the fiscal year ended April 30, 2022, and in accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy set forth by the Accounting Standard for Fair Value Measurement, etc. is applied prospectively. There is no impact on the consolidated financial statements as a result of this change.

(Notes to Consolidated Statements of Income)

*1. Ending finished goods represents the amount after write-down of the book value in accordance with the declining in profitability of assets and the following loss on valuation of inventories is included in cost of sales.

	Million yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Cost of sales	(657)	(218)

*2. Main items of selling, general and administrative expenses

	Million yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Selling commission	74,313	252
Vending machine selling commission	–	15,326
Advertising	9,808	9,980
Lease payment	1,395	1,321
Transportation	13,833	13,751
Salaries and wages to employees	42,327	42,778
Provision for bonuses	3,122	3,164
Retirement and severance benefit costs for employees	2,075	1,761
Depreciation	10,207	9,153
Allowance for doubtful accounts	12	58
Research and development expenses	1,694	1,870

*3. The total amount of research and development expenses included in general and administrative expenses and manufacturing costs for the period under review are as follows.

	Million yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
General and administrative expenses	1,694	1,870

*4. Breakdown of gain on sales of non-current assets is as follows.

	Million yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Buildings and structures	0	0
Machinery, equipment and vehicles	7	7
Tools, furniture and fixtures	0	0
Land	–	24
Total	7	32

*5. Subsidy income

For the fiscal year ended April 30, 2021 (May 1, 2020 - April 30, 2021)

Subsidy income, comprising grants provided by the government and local municipalities in relation to the impact of COVID-19, was recorded in extraordinary income.

Subsidy income consisted of 854 million yen in employment adjustment subsidy, 368 million yen in payment for cooperation in preventing the spread of infection with shorter opening hours, and 8 million yen in other grants.

For the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022)

Subsidy income, comprising grants provided by the government and local municipalities in relation to the impact of COVID-19, was recorded in extraordinary income.

Subsidy income consisted of 125 million yen in employment adjustment subsidy and 1,944 million yen in payment for cooperation in preventing the spread of infection with shorter opening hours.

*6. Breakdown of loss on sales of non-current assets is as follows.

	Million yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Buildings and structures	5	25
Machinery, equipment and vehicles	–	1
Tools, furniture and fixtures	–	0
Land	–	38
Total	5	66

*7. Breakdown of loss on abandonment of non-current assets is as follows.

	Million yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Buildings and structures	7	44
Machinery, equipment and vehicles	4	21
Tools, furniture and fixtures	1	60
Other	80	80
Total	94	206

*8. Impairment loss

The ITO EN Group recognized impairment losses on the assets group listed below.

For the fiscal year ended April 30, 2021 (May 1, 2020 - April 30, 2021)

Location	Use	Type of assets	Impairment loss (million yen)
Ota-ku, Tokyo, etc.	Store, etc. (Tully's Coffee Japan Co., Ltd.)	Buildings, etc.	1,872
Koto-ku, Tokyo	— (NEOS Co., Ltd.)	Goodwill, etc.	2,184

In the case of the consolidated subsidiary Tully's Coffee Japan Co., Ltd., asset grouping is conducted with each shop as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the stores stated in the above, for those incurred or expected to incur continuous deficits in cash flows arising from operating activities, the book values of their assets were reduced to recoverable values and an impairment loss in extraordinary losses, amounting to 1,872 million yen (buildings and structures 1,707 million yen, tools, furniture and fixtures 150 million yen, and other 14 million yen), was recorded as of the end of the fiscal year ended April 30, 2021. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

In the case of the consolidated subsidiary NEOS Co., Ltd., whole assets are grouped as a single asset group, because the company conducts a single business. The book values of its assets were reduced to the recoverable values and an impairment loss amounting to 2,184 million yen (goodwill 1,987 million yen and land 196 million yen) was recorded due to the company consistently recording operating losses. The recoverable amount was calculated using the value in use based on the future business plan. The discount rate applied to calculate the value in use was 10.67%.

For the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022)

Location	Use	Type of assets	Impairment loss (million yen)
Chiyoda-ku, Tokyo, etc.	Store, etc. (Tully's Coffee Japan Co., Ltd.)	Buildings, etc.	573
Koto-ku, Tokyo, etc.	Vending machines (NEOS Co., Ltd.)	Leased assets	1,315

In the case of the consolidated subsidiary Tully's Coffee Japan Co., Ltd., asset grouping is conducted with each shop as the basic unit of measurement, as these are the smallest units of cash flow generation. Out of the stores stated in the above, for those incurred or expected to incur continuous deficits in cash flows arising from operating activities, the book values of their assets were reduced to recoverable values and an impairment loss in extraordinary losses, amounting to 573 million yen (buildings and structures 517 million yen, tools, furniture and fixtures 50 million yen, and other 6 million yen), was recorded as of the end of the fiscal year ended April 30, 2022. The recoverable amount was determined through measurement of the value in use, which is calculated as zero.

In the case of the consolidated subsidiary NEOS Co., Ltd., whole assets are grouped as a single asset group, because the company conducts a single business. The book values of its assets were reduced to the recoverable values and an impairment loss amounting to 1,315 million yen (leased assets 1,315 million yen) was recorded due to the company consistently recording operating losses. The recoverable amount was calculated using the value in use based on the future business plan. The discount rate applied to calculate the value in use was 10.71%.

*9. Loss on COVID-19 impact

For the fiscal year ended April 30, 2021 (May 1, 2020 - April 30, 2021)

Personnel expenses related to store closures implemented based on requests from the government and local municipalities with the aim of preventing the spread of COVID-19 were recorded in extraordinary losses.

For the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022)

Personnel expenses related to store closures implemented based on requests from the government and local municipalities with the aim of preventing the spread of COVID-19 were recorded in extraordinary losses.

(Segment Information, etc.)

Segment Information

1. Outline of reporting segments

The ITO EN Group reporting segments shall be part of our organizational units whose financial information is individually available, and shall be subject to regular review by its Board of Directors for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The ITO EN Group is engaged in the manufacture, purchase and sales of products of tea leaves/beverages in both domestic and overseas markets as its mainstay business and also is engaged in restaurant business. As such, our reporting segments consist of “Tea Leaves/Beverage Businesses,” “Restaurant Business,” and “Others.”

2. Basis for calculating sales, profit or loss, assets, liabilities, and other items by reporting segment

Accounting treatment for reporting segments is the same as basis of preparation for the consolidated financial statements.

Profit of reporting segments is based on operating income.

Sales and transfer of intersegment are based on prevailing market price.

3. Information regarding amounts of sales, profit or loss, assets, liabilities, and other items by reporting segment

For the fiscal year ended April 30, 2021 (May 1, 2020 - April 30, 2021)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	413,581	26,206	6,493	446,281	–	446,281
(2) Intersegment	362	8	2,877	3,249	(3,249)	–
Total net sales	413,943	26,215	9,371	449,531	(3,249)	446,281
Segment profits (losses)	18,164	(1,374)	617	17,408	(732)	16,675
Segment assets	305,918	16,381	6,607	328,907	4,157	333,065
Others:						
Depreciation	11,292	995	138	12,427	–	12,427
Amortization of goodwill	211	–	66	277	989	1,266
Investments to entities accounted for using equity method	1,662	–	–	1,662	–	1,662
Increase in property, plant and equipment and intangible assets	7,447	2,052	111	9,611	–	9,611

Notes: i. The segment profits (losses) adjustment (732) million yen includes (989) million yen in amortization of goodwill and 256 million yen in intersegment transactions.

ii. The segment assets adjustment 4,157 million yen is unamortized balance of goodwill, and etc.

iii. Segment profits (losses) are adjusted to the operating income figure on the Consolidated Statements of Income.

For the fiscal year ended April 30, 2022 (May 1, 2021 - April 30, 2022)

(Millions of yen)

	Reporting Segment				Adjustment	Total
	Tea leaves /Beverages Business	Restaurant Business	Others	Total		
Net sales:						
(1) Outside	364,103	30,046	6,619	400,769	–	400,769
(2) Intersegment	419	14	2,691	3,125	(3,125)	–
Total net sales	364,523	30,060	9,311	403,895	(3,125)	400,769
Segment profits (losses)	17,953	860	605	19,419	(625)	18,794
Segment assets	300,057	17,717	7,462	325,238	3,121	328,359
Others:						
Depreciation	10,361	772	147	11,281	–	11,281
Amortization of goodwill	–	–	71	71	989	1,060
Investments to entities accounted for using equity method	1,779	–	–	1,779	–	1,779
Increase in property, plant and equipment and intangible assets	8,515	611	126	9,253	–	9,253

- Notes: i. The segment profits (losses) adjustment (625) million yen includes (989) million yen in amortization of goodwill and 363 million yen in intersegment transactions.
- ii. The segment assets adjustment 3,121 million yen is unamortized balance of goodwill, and etc.
- iii. Segment profits (losses) are adjusted to the operating income figure on the Consolidated Statements of Income.
- iv. As described in “(Changes in Accounting Policies),” the Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the fiscal year ended April 30, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of reporting segments. This change has an impact mainly on net sales of the Tea Leaves and Beverages Business.

(Notes to Per Share Data)

For the fiscal year ended April 30, 2021 and 2022 (May 1, 2020 - April 30, 2021 and May 1, 2021 - April 30, 2022)

	Yen	
	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Common Stock		
Net assets per share	1,250.37	1,334.88
Earnings per share	55.10	103.92
Earnings per share (diluted)	54.97	103.69
Class-A Preferred Stock		
Net assets per share	1,255.37	1,339.88
Earnings per share	65.10	113.89
Earnings per share (diluted)	64.97	113.65

Note: The basis for calculating earnings per share and earnings per share (diluted) is as follows:

	Fiscal year ended April 30, 2021	Fiscal year ended April 30, 2022
Earnings per share		
Profit attributable to owners of parent (Million yen)	7,011	12,928
Profit attributable to owners of parent pertaining to common stock (Million yen)	4,859	9,166
Profit attributable to owners of parent pertaining to Class-A Preferred Stock (Million yen)	2,151	3,761
Weighted average number of shares of common stock (Thousands of shares)	88,195	88,205
Weighted average number of shares of Class-A Preferred Stock (Thousands of shares)	33,053	33,028
Earnings per share (diluted)		
Adjustments to profit attributable to owners of parent (Million yen)	-	-
Increase in common stock (Thousands of shares)	286	275
(*Stock acquisition rights (Thousands of shares))	(286)	(275)
Profit attributable to owners of parent pertaining to common stock (Million yen)	4,864	9,174
Profit attributable to owners of parent pertaining to Class-A Preferred Stock (Million yen)	2,147	3,753
Summary of potentially dilutive shares not included in the calculation of earnings per share (diluted) due to their anti-dilutive effect	-	-

(Notes to Subsequent Events)

Not applicable